



Agenda Date: 10/07/09
Agenda Item: VA

STATE OF NEW JERSEY
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102
www.nj.gov/bpu

WATER

IN THE MATTER OF THE PETITION OF)	ORDER ADOPTING
WALLKILL SEWER COMPANY TO FILE A)	INITIAL DECISION/STIPULATION
TRUE-UP FOR THE YEAR 2006 PURSUANT)	
TO ITS PURCHASED SEWAGE TREATMENT)	BPU DOCKET NO. WR07040245
ADJUSTMENT CLAUSE)	OAL DOCKET NO. PUC 1486-08

Stephen B. Genzer, Esq., Saul Ewing, LLP, Newark, New Jersey for Petitioner

BY THE BOARD:

On March 30, 2007, pursuant to N.J.A.C. 14:9-7.1 et seq., Wallkill Sewer Company ("Wallkill" or "Company"), a public utility of the State of New Jersey, filed a petition with the Board of Public Utilities (Board) seeking approval of a Purchased Sewage Treatment Adjustment Clause (PSTAC) true-up for calendar year 2006.

Wallkill is a wastewater utility engaged in the collection and transmission of sewage. Wallkill serves approximately 346 customers within the Township of Hardyston, Sussex County, New Jersey. The Sussex County Municipal Utilities Authority ("SCMUA") collects and treats all of the sewage transmitted by Wallkill.

PROCEDURAL HISTORY

On January 10, 2008, this matter was transmitted to the Office of Administrative Law ("OAL") where it was assigned to Administrative Law Judge ("ALJ") Richard McGill. A pre-hearing conference was held on April 16, 2008.

Subsequent to this matter being transmitted to the OAL, the Company, the Department of Public Advocate, Division of Rate Counsel ("Rate Counsel") and Board Staff (the "Parties") engaged in settlement negotiations. Based upon the settlement discussions the Parties have agreed to maintain the Board's current-PSTAC rates and entered into a Stipulation of Settlement ("Stipulation"). As a result, no public hearing was held in this matter. There were no Interveners in this case.

ALJ McGill issued his Initial Decision on September 25, 2009, recommending adoption of the Stipulation executed by the Parties, finding that the Parties had voluntarily agreed to the Stipulation and that the Stipulation fully disposes of all issues and is consistent with the law.

DISCUSSIONS AND FINDINGS

As a result of the Stipulation, the Parties agreed that the Company had a total net under-recovery of sewage treatment charges of \$4,387 for the calendar year ending December 31, 2006. The Parties have further agreed that the Company's current Board-approved PSTAC rate of \$5.48 per thousand gallons will remain in effect and unchanged.

Having reviewed ALJ McGill's Initial Decision and the Stipulation among the Parties to this proceeding, the Board HEREBY FINDS that the Initial Decision, which adopts the Stipulation, to be reasonable, in the public interest and is in accordance with the law. Therefore, the Board HEREBY ADOPTS the Initial Decision and the Stipulation, attached hereto, including the attachments and schedules, as its own, incorporating by reference the terms and conditions of the Stipulation, as if fully set forth at length herein, subject to the following:

In accordance with the provisions of N.J.A.C. 14:9-7.4, and this order the Petitioner shall file with the Board, no later than 45 days after the end of the year covered by the PSTAC, a true-up schedule in connection with this proceeding. Copies of the true-up schedules shall be served upon all parties to the present proceeding.

Additionally, the Company has not filed a PSTAC true-up for 2007 or 2008. Pursuant to N.J.A.C. 14:9-7.4(b), a yearly true-up schedule must be filed, regardless of whether a utility seeks a PSTAC adjustment. Therefore, the Company shall file its 2007 and 2008 true-up schedules with the Board within sixty (60) days from the date of this Order. Copies of the true-up schedules shall be served upon all parties to the present proceeding.

The Board HEREBY DIRECTS the Company to file tariff page(s) reflecting the terms of the Stipulation within fifteen (15) of the effective date of this Order.

DATED: 10/8/09

BOARD OF PUBLIC UTILITIES
BY:

Jeanne M. Fox

JEANNE M. FOX
PRESIDENT

Frederick F. Butler
FREDERICK F. BUTLER
COMMISSIONER

Joseph L. Fiordaliso
JOSEPH L. FIORDALISO
COMMISSIONER

Nicholas Asselta
NICHOLAS ASSELTA
COMMISSIONER

Elizabeth Randall
ELIZABETH RANDALL
COMMISSIONER

ATTEST:

Kristi Izzo
KRISTI IZZO
SECRETARY

I HEREBY CERTIFY that the within
document is a true copy of the original
in the files of the Board of Public
Utilities

Kristi Izzo

IN THE MATTER OF THE PETITION OF THE WALLKILL SEWER COMPANY
TO FILE A TRUE-UP FOR THE YEAR 2006 PURSUANT TO ITS
PURCHASED SEWERAGE TREATMENT ADJUSTMENT CLAUSE
BPU DOCKET NO. WR07040245
OAL DOCKET NO. PUC 1486-08

SERVICE LIST

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Newark, NJ 07101

Alex Moreau, Esq.
Department of Law and Public Safety
Division of Law
124 Halsey Street
P. O. Box 45029
Newark, NJ 07102

**STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES**

**IN THE MATTER OF THE PETITION OF
WALLKILL SEWER COMPANY TO FILE
A TRUE-UP FOR THE YEAR 2006
PURSUANT TO ITS PURCHASED
SEWAGE TREATMENT ADJUSTMENT
CLAUSE**

**STIPULATION OF
SETTLEMENT**

**BPU DOCKET NO. WR07040245
OAL DKT NO. PUC 1486-08**

APPEARANCES:

Stephen B. Genzer, Esq., Saul Ewing LLP, on behalf of the Wallkill Sewer Company,
Petitioner

Debra F. Robinson, Esq., Deputy Public Advocate, (Stefanie A. Brand, Rate Counsel), on
behalf of the Department of the Public Advocate, Division of Rate Counsel

Alex Moreau, Deputy Attorney General, (Anne Milgram, Attorney General of New
Jersey), on behalf of the Staff of the New Jersey Board of Public Utilities

TO THE HONORABLE NEW JERSEY BOARD OF PUBLIC UTILITIES:

The Parties that have participated in this proceeding are as follows: the Wallkill Sewer Company ("Wallkill," "Company," or "Petitioner"), the Division of Rate Counsel ("Rate Counsel"), and the Staff of the Board of Public Utilities ("Staff") (collectively, the "Parties"). There were no intervenors in this proceeding. As a result of an analysis of Wallkill's Petition and exhibits, discovery conducted by Rate Counsel and the Staff, conferences, and negotiations, the Parties to this proceeding have come to the within agreement. The Parties hereto agree and stipulate as follows:

1. Pursuant to N.J.A.C. 14:9-7.1 et seq., Wallkill Sewer Company, a public utility corporation of the State of New Jersey, filed the above-captioned Petition, dated March 30, 2007, with the Board of Public Utilities ("BPU" or "Board"), which was later assigned Docket No.

WR07040245, for approval of a purchased sewage treatment adjustment clause ("PSTAC") true-up for calendar year 2006. The matter was transmitted to the Office of Administrative Law (Docket No. PUC 1486-08) on January 10, 2008, and ultimately assigned to Administrative Law Judge ("ALJ") Richard McGill. A pre-hearing conference was conducted by ALJ McGill on April 16, 2008.

2. Petitioner operates a sewage collection and transmission system within its defined service territory consisting of a portion of the Township of Hardyston, Sussex County, New Jersey. During 2006, Petitioner served approximately 346 customers within its service territory.

3. Petitioner's rates reflect the recovery of sewage treatment charges by the Sussex County Municipal Utilities Authority ("SCMUA"). Petitioner's current PSTAC tariff was approved by the Board in Docket No. WR03100806 dated November 10, 2004, which trued-up all PSTAC revenues and expenses effective for and applicable to the period ending December 31, 2003.

4. In this proceeding, the Parties have determined that the Company had PSTAC Revenues of \$116,534, and PSTAC costs of \$112,302. The Parties have agreed that the costs of this proceeding are \$7,567. These costs will be shared 50/50 between ratepayers and shareholders. The Parties have further agreed that the Company had a total net under-recovery of sewage treatment charges of approximately \$4,387 for the calendar year ending December 31, 2006.

5. Based on the amounts stipulated to in Paragraph 4 of this Stipulation, the Parties have agreed to recommend to the Board that Petitioner's current Board-approved PSTAC rates remain in effect. The existing PSTAC rate is \$5.48 (per thousand gallons), and it will remain unchanged.

6. The Parties have engaged in full discovery. The Parties agree that the within Stipulation reflects a mutual balancing of various issues and positions, and that it is being entered into in the spirit of compromise and to avoid protracted and costly litigation.

7. This Stipulation is the product of negotiations by the Parties, and it is an express condition of the settlement embodied by this Stipulation that it be presented to the Board in its entirety without modification or condition. It is also the intent of the Parties to this Stipulation that this settlement, once accepted and approved by the Board, shall govern all issues specified and agreed to herein. The Parties to this Stipulation specifically agree that if adopted in its entirety by the Board, no appeal shall be taken by them from the order adopting same as to those issues upon which the Parties have stipulated herein.


8. The Parties agree that each term within this Stipulation reflects a mutual balancing of various issues and positions and is intended to be accepted and approved in its entirety. Each term is vital to this Stipulation as a whole, since the Parties hereto expressly and jointly state that they would not have signed this Stipulation had any terms been modified in any way. In the event any particular aspect of this Stipulation is not accepted and approved by the Board, then any Party hereto materially affected thereby shall not be bound to proceed under this Stipulation.

9. The Parties further agree that with respect to any policy or other issues which were compromised in the spirit of reaching an agreement, none of the Parties shall be prohibited from, or prejudiced in, arguing a different policy or position before the Board in any other proceeding, as such agreements pertain only to this matter and to no other matter.

10. This Stipulation may be executed in as many counterparts as there are Parties of this Stipulation, each of which counterparts shall be an original, but all of which shall constitute one and the same instrument.

WALLKILL SEWER COMPANY

Sept 9, 2009
Date

By: 
Saul Ewing LLP
Stephen B. Genzer, Esq.
Attorney for Petitioner

ANNE MILGRAM,
ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the New Jersey
Board of Public Utilities

Date

By: _____
Alex Moreau, DAG

RONALD K. CHEN
PUBLIC ADVOCATE OF NEW JERSEY
DEPARTMENT OF THE PUBLIC ADVOCATE
STEFANIE A. BRAND, ESQ.
DIRECTOR, RATE COUNSEL

Date

By: _____
Debra F. Robinson, Esq.
Deputy Public Advocate

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WALLKILL SEWER COMPANY

Date

By: _____
Saul Ewing LLP
Stephen B. Genzer, Esq.
Attorney for Petitioner

ANNE MILGRAM,
ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the New Jersey
Board of Public Utilities

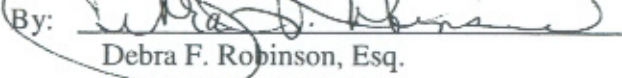
Date

By: _____
Alex Moreau, DAG

RONALD K. CHEN
PUBLIC ADVOCATE OF NEW JERSEY
DEPARTMENT OF THE PUBLIC ADVOCATE
STEFANIE A. BRAND, ESQ.
DIRECTOR, RATE COUNSEL

09-16-09

Date

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Debra F. Robinson, Esq.
Deputy Public Advocate

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WALLKILL SEWER COMPANY

Date

By: _____
Saul Ewing LLP
Stephen B. Genzer, Esq.
Attorney for Petitioner

ANNE MILGRAM,
ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the New Jersey
Board of Public Utilities

09/16/09

Date

By: _____
Alex Morzau, DAG

RONALD K. CHEN
PUBLIC ADVOCATE OF NEW JERSEY
DEPARTMENT OF THE PUBLIC ADVOCATE
STEFANIE A. BRAND, ESQ.
DIRECTOR, RATE COUNSEL

09-16-09

Date

By: _____
Debra F. Robinson, Esq.
Deputy Public Advocate